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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. |
|-----------------|-------------|----------------------|---------------------|
| 09/392,018      | 09/08/99    | MADOFF               | F 10575/004001      |

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EXAMINER

THOMPSON JR, F

| ART UNIT | PAPER NUMBER |
|----------|--------------|
|----------|--------------|

2165

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DATE MAILED:

10/24/00

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

|              |                  |
|--------------|------------------|
| Docketed By  | Practice Systems |
| Action Code: | Resp 10 OA       |
| Base Date:   | 10-24-00         |
| Due Date:    | 1-24-01          |
| Deadline:    | 4-24-01          |
| Initial:     | JMG              |

|             |                   |
|-------------|-------------------|
| Docketed By | Billing Secretary |
| Due Date:   | 1-24-01           |
| Deadline:   | 4-24-01           |
| Initials:   | MJC               |

RECEIVED

OCT 30 2000

FISH & RICHARDSON, P.C.  
BOSTON OFFICE

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# Office Action Summary

Application No.  
**09/392,018**

Applicant(s)

**MADOFF et al.**

Examiner  
**Forest Thompson Jr.**

Group Art Unit  
**2165**



☒ Responsive to communication(s) filed on Sep 8, 1999

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle* 35 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire three month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claim

☒ Claim(s) 1-25 is/are pending in the application

Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration

☐ Claim(s) \_\_\_\_\_ is/are allowed.

☒ Claim(s) 1-25 is/are rejected.

☐ Claim(s) \_\_\_\_\_ is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☒ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☒ The drawing(s) filed on Sep 8, 1999 is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☒ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☒ Notice of References Cited, PTO-892

☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). \_\_\_\_\_

☐ Interview Summary, PTO-413

☒ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

Art Unit: 2165

### **DETAILED ACTION**

1. Claims 1-25 have been examined.

#### ***Drawings***

2. New formal drawings are required in this application because the drawings are objected to by the Draftsperson (see Form PTO 948). Applicant is advised to employ the services of a competent patent draftsman outside the Office, as the Patent and Trademark Office no longer prepares new drawings.

- ✓ 3. Applicant is required to submit a proposed drawing correction in reply to this Office action. However, formal correction of the noted defect can be deferred until the application is allowed by the examiner.

#### ***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

- ✓ 5. Claim 5 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Art Unit: 2165

Examiner cannot determine the intended meaning of the claim as stated as it does not conform to proper English; the phrase “wherein determining an imbalance condition, posting an allocation message to market participants, and disseminating an imbalance message over regular periods of time between the initial reception of orders and actual opening of the auction” does not include an action verb to give the phrase an understandable meaning.

***Claim Rejections - 35 USC § 102***

6. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

7. Claims 1-4 and 6-25 are rejected under 35 U.S.C. 102(e) as being anticipated by

**Ferstenberg et al.** (U.S. Patent No. 5,893,071).

As per claim 1, **Ferstenberg et al.** discloses:

- receiving orders for a product (col. 3 lines 5-21);
- determining an imbalance condition between received buy orders and received sell orders for the product (col. 18 lines 30-52); and

Art Unit: 2165

- posting an allocation message to market maker participants to communicate an expected allocation of the imbalance for execution at an initial opening of the market in the event that the imbalance exists at the opening (col. 18 lines 53-67; col. 19 lines 1-2).

As per claim 2, **Ferstenberg et al.** discloses the orders are orders at a market price and are orders for customer accounts (col. 9 lines 15-25).

As per claim 3, **Ferstenberg et al.** discloses disseminating a message that indicates a current imbalance between buy and sell orders (col. 8 line 67; col. 9 lines 1-14).

As per claim 4, **Ferstenberg et al.** discloses the products are financial instruments (col. 2 lines 63-66; col. 3 lines 62-67; col. 4 line 1).

As per claim 6, **Ferstenberg et al.** discloses establishing a lock-in period (col. 14 lines 31-44; col. 39 lines 4-21; col. 44 lines 64-66).

As per claim 7, **Ferstenberg et al.** discloses applying received predefined relative indications to an imbalance that exists subsequent to establishing the lock-in period (col. 14 lines 31-44; col. 24 lines 24-67; col. 25 lines 1-5).

As per claim 8, **Ferstenberg et al.** discloses allocating the remaining imbalance amongst market makers after applying predefined relative indications to eliminate the imbalance (col. 24 lines 24-54).

Art Unit: 2165

As per claim 9, **Ferstenberg et al.** discloses determining an opening price based on allocated imbalance amongst the market participants and applied predefined relative indications (col. 18 lines 30-52).

As per claim 10, **Ferstenberg et al.** discloses the orders are limit orders and wherein remarkable ones of those limit orders are applied to reduce the imbalance (col. 18 lines 30-52).

Claim 11 is written as a computer program product and contains the same limitations as claim 1; therefore, the same rejection is applied;

As per claim 12, **Ferstenberg et al.** discloses:

- instructions that cause the computer to accept orders (col. 4 lines 30-44); and
- that further comprise instructions that cause the computer to disseminate a message that indicates a current imbalance between buy and sell orders for the product (col. 4 lines 30-44).

Claim 13 is written as a computer program product and contains the same limitations as claim 3; therefore, the same rejection is applied;

Claim 14 is written as a computer program product and contains the same limitations as claim 4; therefore, the same rejection is applied;

As per claim 15, **Ferstenberg et al.** discloses:

Art Unit: 2165

- disseminate a message that indicates a current imbalance between buy and sell orders for the product (col. 8 line 67; col. 9 lines 1-25); and
- instructions to determine an imbalance condition, post allocation message to market participants, and disseminate an imbalance message, occur over regular periods of time (col. 8 line 67; col. 9 lines 1-25).

Claim 16 is written as a computer program product and contains the same limitations as claim 6; therefore, the same rejection is applied;

Claim 17 is written as a computer program product and contains the same limitations as claim 7; therefore, the same rejection is applied;

As per claim 18, **Ferstenberg et al.** discloses:

- accept limit orders (col. 24 lines 24-54); and
- allocating the remaining imbalance amongst market makers after applying predefined relative indications to eliminate the imbalance (col. 24 lines 24-54).

As per claim 19, **Ferstenberg et al.** discloses instructions that cause the computer to determine an opening price based on first free and open quote and whether there is still an imbalance (col. 55 lines 20-53; col. 57 lines 50-65).

Art Unit: 2165

As per claim 20, **Ferstenberg et al.** discloses instructions that cause the computer to execute the entire amount of accumulated shares as a single block at one price (col. 55 lines 36-53).

As per claim 21, **Ferstenberg et al.** discloses:

- a plurality of workstations for entering orders (col. 39 lines 34-40; col. 47 lines 44-67; col. 48 lines 1-36);
- a server computer (col. 40 lines 20-67; col. 41 lines 1-17);
- receiving orders for a product (col. 3 lines 5-21);
- determining an imbalance condition between received buy orders and received sell orders for the product (col. 18 lines 30-52); and
- posting an allocation message to market maker participants to communicate an expected allocation of the imbalance for execution at an initial opening of the market in the event that the imbalance exists at the opening (col. 18 lines 53-67; col. 19 lines 1-2).

As per claim 22, **Ferstenberg et al.** discloses the computer program product further comprises instructions for causing the server to receive limit orders for the product (col. 3 lines 51-67; col. 4 lines 1-3; col. 12 lines 51-67; col. 13 lines 1-10).



Art Unit: 2165

Claim 23 is written as a computer program product and contains the same limitations as claim 3; therefore, the same rejection is applied;

Claim 24 is written as a computer program product and contains the same limitations as claim 4; therefore, the same rejection is applied;

Claim 25 is written as a computer program product and contains the same limitations as claim 18; therefore, the same rejection is applied;

### ***Conclusion***

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- **Keiser et al.** (U.S. Patent No. 5,950,176) discloses a method, apparatus and article of manufacture for a computer-implemented financial management system that permits the trading of securities via a network.

- **Ordish et al** (U.S. Patent No. 5,727,165) discloses an improved matching system for trading instruments in which the occurrence of automatically confirmed trades is dependent on receipt of match acknowledgment messages by the host computer from all counterparties to the matching trade.

- **Lupien et al.** (U.S. Patent No. 5,845,266) discloses a crossing network that matches buy and sell orders based upon a satisfaction and quantity profile includes a number of trader terminals that can be used for entering orders.

Art Unit: 2165

- **Rickard et al.** (U.S. Patent No. 6,016,483) discloses a computer-based system for determining a set of opening prices for a number of series of options traded on an options exchange and for allocating public order imbalances at the opening of trading.
- **Garber** (U.S. Patent No. 5,963,923) discloses a system and method is provided for linking a Rolling Spot Currency contract with a Principle Market Maker program.
- **Minton** (U.S. Patent No. 6,014,643) discloses a first individual enters an offer to sell a security on a first data processing system.
- **Odom et al** (U.S. Patent No. 6,058,379) discloses a method for networked exchange comprises several steps including identifying a commodity, listing information, accessing the information processing information, and concluding a negotiation for the commodity.

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Forest Thompson whose telephone number is (703) 306-5449. The examiner can normally be reached Monday-Friday from 7:30 AM to 4:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tod Swann, can be reached at (703) 305-9708.


The fax number for Formal or Official faxes to Technology Center 2700 is (703) 308-9051 or 9052. Draft or Informal faxes for this Art Unit can be submitted to (703) 308-5357.

Application/Control Number: 09/392,018

Page 10

Art Unit: 2165

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist whose telephone number is (703) 305-3900.

  
October 6, 2000 /FOT

  
VINCENT MILLIN  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 2700

2165

09/392018

NOTICE OF DRAFTSPERSON'S  
PATENT DRAWING REVIEWThe drawing(s) filed (insert date) 9/18/99 are:A. ☐ approved by the Draftsperson under 37 CFR 1.84 or 1.152.B. ☒ objected to by the Draftsperson under 37 CFR 1.84 or 1.152 for the reasons indicated below. The Examiner will require submission of new, corrected drawings when necessary. Corrected drawing must be submitted according to the instructions on the back of this notice.1. DRAWINGS. 37 CFR 1.84(a): Acceptable categories of drawings:  
Black ink. Color.☐ Color drawings are not acceptable until petition is granted.

Fig(s) \_\_\_\_\_

☐ Pencil and non black ink not permitted. Fig(s) \_\_\_\_\_

## 2. PHOTOGRAPHS. 37 CFR 1.84 (b)

☐ 1 full-tone set is required. Fig(s) \_\_\_\_\_☐ Photographs not properly mounted (must use bristol board or photographic double-weight paper). Fig(s) \_\_\_\_\_☐ Poor quality (half-tone). Fig(s) \_\_\_\_\_

## 3. TYPE OF PAPER. 37 CFR 1.84(c)

☐ Paper not flexible, strong, white, and durable.

Fig(s) \_\_\_\_\_

☐ Erasures, alterations, overwritings, interlineations,

folds, copy machine marks not accepted. Fig(s) \_\_\_\_\_

☐ Mylar, velum paper is not acceptable (too thin).

Fig(s) \_\_\_\_\_

## 4. SIZE OF PAPER. 37 CFR 1.84(f): Acceptable sizes:

☐ 21.0 cm by 29.7 cm (DIN size A4)☐ 21.6 cm by 27.9 cm (8 1/2 x 11 inches)☐ All drawing sheets not the same size.

Sheet(s) \_\_\_\_\_

☐ Drawings sheets not an acceptable size. Fig(s) \_\_\_\_\_

## 5. MARGINS. 37 CFR 1.84(g): Acceptable margins:

Top 2.5 cm Left 2.5cm Right 1.5 cm Bottom 1.0 cm

SIZE: A4 Size

Top 2.5 cm Left 2.5 cm Right 1.5 cm, Bottom 1.0 cm

SIZE: 8 1/2 x 11

Margins not acceptable. Fig(s) \_\_\_\_\_

☐ Top (T) ☒ Left (L)☐ Right (R) ☐ Bottom (B)

## 6. VIEWS. 37 CFR 1.84(h)

REMINDER: Specification may require revision to correspond to drawing changes.

Partial views. 37 CFR 1.84(h)(2)

☐ Brackets needed to show figure as one entity.

Fig(s) \_\_\_\_\_

☐ Views not labeled separately or properly.

Fig(s) \_\_\_\_\_

☐ Enlarged view not labeled separately or properly.

Fig(s) \_\_\_\_\_

## 7. SECTIONAL VIEWS. 37 CFR 1.84 (h)(3)

☐ Hatching not indicated for sectional portions of an object.

Fig(s) \_\_\_\_\_

☐ Sectional designation should be noted with Arabic or

Roman numbers. Fig(s) \_\_\_\_\_

## 8. ARRANGEMENT OF VIEWS. 37 CFR 1.84(i)

☐ Words do not appear on a horizontal, left-to-right fashion when page is either upright or turned so that the top becomes the right side, except for graphs. Fig(s) \_\_\_\_\_

## 9. SCALE. 37 CFR 1.84(k)

☐ Scale not large enough to show mechanism without crowding when drawing is reduced in size to two-thirds in reproduction.

Fig(s) \_\_\_\_\_

## 10. CHARACTER OF LINES, NUMBERS, &amp; LETTERS.

37 CFR 1.84(i)

☐ Lines, numbers & letters not uniformly thick and well defined, clean, durable, and black (poor line quality).

Fig(s) \_\_\_\_\_

## 11. SHADING. 37 CFR 1.84(m)

☐ Solid black areas pale. Fig(s) \_\_\_\_\_☐ Solid black shading not permitted. Fig(s) \_\_\_\_\_☐ Shade lines, pale, rough and blurred. Fig(s) \_\_\_\_\_

## 12. NUMBERS, LETTERS, &amp; REFERENCE CHARACTERS.

37 CFR 1.84(p)

☐ Numbers and reference characters not plain and legible.

Fig(s) \_\_\_\_\_

☐ Figure legends are poor. Fig(s) \_\_\_\_\_☐ Numbers and reference characters not oriented in the

same direction as the view. 37 CFR 1.84(p)(1)

Fig(s) \_\_\_\_\_

☐ English alphabet not used. 37 CFR 1.84(p)(2)

Figs \_\_\_\_\_

☒ Numbers, letters and reference characters must be at least

.32 cm (1/8 inch) in height. 37 CFR 1.84(p)(3)

Fig(s) \_\_\_\_\_

## 13. LEAD LINES. 37 CFR 1.84(q)

☐ Lead lines cross each other. Fig(s) \_\_\_\_\_☐ Lead lines missing. Fig(s) \_\_\_\_\_

## 14. NUMBERING OF SHEETS OF DRAWINGS. 37 CFR 1.84(t)

☐ Sheets not numbered consecutively, and in Arabic numerals beginning with number 1. Sheet(s) \_\_\_\_\_

## 15. NUMBERING OF VIEWS. 37 CFR 1.84(u)

☐ Views not numbered consecutively, and in Arabic numerals, beginning with number 1. Fig(s) \_\_\_\_\_

## 16. CORRECTIONS. 37 CFR 1.84(w)

☐ Corrections not made from prior PTO-948 dated \_\_\_\_\_

## 17. DESIGN DRAWINGS. 37 CFR 1.152

☐ Surface shading shown not appropriate. Fig(s) \_\_\_\_\_☐ Solid black shading not used for color contrast.

Fig(s) \_\_\_\_\_

COMMENTS

REVIEWER

A.D.

DATE

12/26/99

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